

Washington, DC — Last evening, Congressman Joe Sestak (D-PA), member of the Subcommittee on Health, Regulations, and Trade and the Subcommittee on Health, Employment, Labor and Pensions, voted for the Children's Health and Medicare Protection Act (CHAMP) because it provides health care to 11 million low-income children and implements key reforms and improvements to strengthen Medicare. — {"It is unconscionable that the richest country on earth does not provide health care to all its children. This bill goes a long way to helping ensure we help families by giving their children access to the best health care system in the world, said Congressman Sestak, "Throughout Pennsylvania and the nation, health care costs are rising at exponential rates. We are facing critical shortages in health care workers, and the number of uninsured is increasing. These are not signs of a stable health care system."

"Two years ago, my daughter was diagnosed with a malignant brain tumor. After brain surgery, we began chemotherapy in a cancer ward. Her roommate the first day was a two and half year old boy diagnosed with acute leukemia. And my wife and I could not but overhear social workers discussing over a period of six hours if they boy could stay and receive treatment because he didn't have health insurance. I am very fortunate that this nation, through my military health care plan, gave opportunity for life for my daughter. This was the reason I wanted to serve in Congress...to ensure every child would have that opportunity—like the two and half year old boy—to live a healthy productive life. This is why I strongly believe in SCHIP and in enhancing the program," said the Congressman.

The CHAMP Act reauthorizes the State Children's Health Insurance Program (SCHIP) and protects coverage for six million children, including 188,800 in Pennsylvania, while extending health care coverage to five million more low-income children, covering a total of 11 million children. SCHIP was established on a bipartisan basis in 1997 by President Clinton and Congress, but must be reauthorized by September 30, 2007. If the program is not reauthorized by September 30, six million children nationwide could lose their health care.

This growth in enrollment is possible because the CHAMP Act revises the payment formula for states and dramatically improves outreach and enrollment via new incentive payments to states and streamlined eligibility for children. The CHAMP Act improves the benefits available to children by assuring coverage of dental care and mental health parity. The CHAMP Act grants states the option of covering pregnant women and increasing CHIP eligibility to age 21 to match Medicaid's age limit. The CHAMP Act does not change existing law, which states that undocumented immigrants are not eligible for regular Medicaid. It specifically states individuals who are not legal residents may not receive coverage.

The CHAMP Act also includes a number of provisions to strengthen Medicare, control out of pocket costs for seniors, and help ensure seniors have access to the doctors of their choice by stopping a scheduled 10 percent payment cut to doctors, while making key reforms, described below. Additionally, the legislation ends massive overpayments to private health organizations like HMOs and makes a series of preventative screenings free for Medicare beneficiaries.

“The CHAMP Act will help ensure seniors see the doctor they trust and get the care they need,” added Congressman Sestak. “The legislation we passed today makes Medicare stronger and helps prevent seniors from being stuck with a higher bill at the doctor’s office.”

Medicare Preventive Benefits

All Medicare beneficiaries deserve access to affordable preventive services, which improve health and reduce long-term costs. The CHAMP Act makes Medicare’s preventive benefits more affordable by eliminating all co-payments and deductibles for these services. It also makes it easier for Medicare to add new preventive benefits. Under current law, Congress has to act to add any new preventive benefit to Medicare. Under the CHAMP Act, the Centers for Medicare & Medicaid Services (CMS) is granted authority to add preventive benefits without Congressional approval. Such new free benefits under Medicare provided under the CHAMP Act include: diabetes screening tests, screening for glaucoma, an initial preventive physical examination, bone mass measurement, prostate cancer screening tests, colorectal cancer screening tests, mammography screening, and pap smear screening.

The CHAMP Act also improves Medicare’s treatment and enhances preventive benefits for beneficiaries with mental illness. For years, Medicare treated beneficiaries with mental illness as second-class citizens, forcing them to pay a 50% co-payment in the outpatient setting when all other outpatient services are subject to a 20% co-payment. The CHAMP Act eliminates this discrepancy by phasing down the 50% co-payment to 20% by 2012.

Medicare Cost to Seniors

CHAMP will also help low-income beneficiaries get needed assistance as millions of low-income beneficiaries on limited fixed incomes struggle each month to pay for health care costs. Many of these beneficiaries would be eligible for the Medicare Savings Programs or the Part D Low-Income Subsidy but for the programs’ stringent income and asset requirements. The CHAMP Act significantly improves programs that assist low-income beneficiaries by expanding

and improving the Low Income Subsidy (LIS) program for drugs and the Medicare Savings Programs (MSP). These programs pay beneficiary premiums, lower co-payments, and reduce drug costs.

New Consumer Protections for Medicare Part D

All Medicare beneficiaries win better consumer protections under the CHAMP Act. For example, it allows beneficiaries to change drug plans if they are adversely affected by a drug plan formulary changes during the year and codifies the requirement that Part D plans cover all or substantially all drugs in six important therapeutic classes of drugs. Under current law, Part D plans are specifically prohibited from covering benzodiazepines, a class of drugs used to manage health conditions including anxiety disorders, seizures, and other medical conditions. The CHAMP Act allows Part D plans to cover these vital drugs and codifies current CMS guidance requiring coverage of drugs in the following six therapeutic classes: Anticonvulsants, Antidepressants, Antineoplastics, Antipsychotics, Antiretrovirals, and Immunosuppressants.

Health Disparities in Medicare

Medicare provides the same benefits for every beneficiary, but racial and ethnic disparities still exist in the program. For example, in 2004, two-thirds of whites 65 years and older received flu vaccines compared with just 45 percent of African-Americans and 55 percent of Hispanics. The CHAMP Act will reduce disparities by requiring CMS to collect and report new disparities data, improving outreach to limited English proficient populations, and improving support for previously uninsured beneficiaries entering the program.

Medicare Physician Payment Reform

The CHAMP Act stabilizes physician reimbursement by eliminating the impending 2008 and 2009 fee cuts (projected to be -10.0 percent and -5.0 percent, respectively) and puts in place a positive 0.5 percent update in both 2008 and 2009. The bill also lays the foundation for a future physician reimbursement system that promotes quality of care and maximizes efficiency.

Medicare Advantage Reform

The CHAMP Act phases out MA overpayments over four years to 100 percent of FFS in 2011. This change extends Medicare solvency by three years and restores equity in Medicare premiums for all beneficiaries. It improves consumer protections by developing a Federal/State system to regulate private plan marketing and other activities. It prohibits private plans from charging higher cost-sharing than fee-for-service Medicare.

Medicare Provider Payments And Additional Improvements

The CHAMP Act takes into account recommendations from the non-partisan Medicare Payment Advisory Commission and refines payments for a variety of institutional providers including skilled nursing facilities, home health agencies, rehabilitation facilities, long-term care hospitals, cancer hospitals and rural and small urban hospitals. The legislation also updates Medicare coverage policy for a range of providers. Improvements include: continuing the therapy cap exceptions process and planning for an improved payment system; improving coverage for speech language pathologists, nurse midwives, marriage and family therapists, mental health counselors; and assuring access to clinical social workers for beneficiaries in nursing homes. It also ends the ability of physicians to refer to hospitals in which they have ownership.

The CHAMP Act establishes a comparative effectiveness program to provide the information doctors and patients need to choose the best treatments, leading to better health outcomes and value nationwide. It requires the Medicare agency to design a program to require adoption of an interoperable open source health information technology system for all Medicare providers. Importantly, the CHAMP Act overrides provisions that have been inserted into the law in recent years that are designed to privatize Medicare – or turn it into a voucher.

The CHAMP Act is financed through adjusting current federal health spending. The only other funding source in this bill is increasing the current federal excise tax on cigarettes by \$.45 per pack – significantly less than the \$.61 per pack proposal in the Senate. The tobacco tax is sound fiscal and health policy. Raising the cost of cigarettes is one of the best ways to stop children from starting to smoke in the first place. It will save a million kids from addiction, saving billions in health care dollars and tens of thousands of young lives.

In Washington, Congressman Sestak has fought vigorously to improve and expand access to health care for those who need but cannot afford it. As a member of the Education and Labor Subcommittee on Health, Employment, Labor, and Pensions, which has jurisdiction over employee health benefits, as well as the Small Business Subcommittee on Regulations, Healthcare and Trade, the Congressman has been working to make healthcare more affordable for small businesses. In addition, he helped expand funding for embryonic stem cell research by cosponsoring and voting for the Stem Cell Research Enhancement Act, and he introduced the Conquer Childhood Cancer Act, along with Congresswoman Deborah Pryce (R-OH), to encourage and expand support for biomedical research programs for childhood cancer and to establish a population-based childhood cancer database. Congressman Sestak also pushed for the Secretary of Health and Human Services to negotiate with drug manufacturers to obtain more affordable medication prices for Medicare beneficiaries by cosponsoring and voting for the Medicare Prescription Drug Direct Negotiation Act.

Since taking office the Congressman has held a number of summits in his district on a variety of topics, including two on health care. The goal of these conferences is to find solutions that work. After the first, a mental health care parity hearing held with Congressman Patrick Kennedy (D-RI), he was able to get two important amendments passed to the Wounded Warrior Act. The first amendment highlights the fact that mental health care is an essential component to the medical services offered to our Veterans and the members of our Armed Services by clarifying that 'medical care' includes mental health care services. The second amendment required the Secretary of the Department of Defense to develop a plan to help prevent Post-Traumatic Stress Disorder and other stress-related psychopathologies (including substance abuse conditions) from developing in our military service members. In addition, it required the Secretary to submit to Congress within 180 days a plan for establishing a Peer-Reviewed research program within the Defense Health Program's research and development function to research the prevention of Post-Traumatic Stress Disorder and how to best strengthen the psychological resiliency of our military service members. Both amendments passed with unanimous support.

The second Health summit provided an opportunity for medical professionals, hospitals, consumer advocates, nurses, union and workforce leaders, businesses and the public from across the district to address the challenges facing our health care system, including the accessibility, affordability, and quality of our health care system.

Moreover, Congressman Sestak has fought for seniors. He supported the Congressional budget which included a reserve fund to reform and improve Medicare for beneficiaries and protect access to care. The proposed changes included improving the prescription drug benefits and creating a more sustainable system for paying physicians. Reserve funds provide a special mechanism to help high-priority policy initiatives clear budget process hurdles. He also

supported legislation to save a vital housing program for seniors. The bill temporarily waives the cap on federally insured reverse mortgages, which enable homeowners to tap the equity in their house. A reverse mortgage is a unique loan that enables senior homeowners to stay in their homes and remain financially independent by converting part of the equity without having to sell the home, give up title or take on a new monthly mortgage payment. Additionally, the he cosponsored and voted for legislation to require the government to negotiate for lower drug prices for American seniors and people with disabilities in the Medicare program. The Medicare Prescription Drug Negotiation Act of 2007 will help seniors get better prices on prescription medications under Medicare. The provision in the current Medicare Rx Drug law which explicitly forbids the Department of Health and Human Services from conducting such cost-reducing negotiations will be repealed. The Democratic bill will require—not just authorizes—the Secretary for Health and Human Services to negotiate with pharmaceutical manufacturers. And he is also a cosponsor of the Elder Justice Act, a piece of legislation that would create the Elder Justice Coordinating Council to make recommendations on elder neglect, provide organizations and states with ombudsmen to address abuse and neglect in nursing homes, and provide older Americans with the same protections as victims of domestic abuse.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.